

सत्यमेव जयते

# Accounts at a Glance

## 2014-15



Government of Jammu and Kashmir

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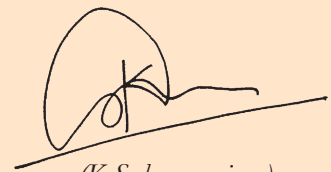
# *P*REFACE

I am happy to present 'ACCOUNTS AT A GLANCE' of the Government of Jammu and Kashmir for the year 2014-15. The purpose of this publication is to make available the voluminous and complex information on State Finances to the reader in a distilled and comprehensive form.

The Annual Accounts of the State consist of (a) Finance Accounts and (b) Appropriation Accounts. The Finance Accounts depict the Receipts and Disbursements of the Government during the year and the Assets and Liabilities of the Government as on 31<sup>st</sup> March 2015. The Appropriation Accounts record the grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Annual Accounts and Financial Statements of the state have been compiled based on the accounts maintained by the Treasuries, Public Works and Forest Divisions. The Annual Finance and the Appropriation Accounts are placed before the State Legislature after certification by the Comptroller and Auditor General of India.

It has been our endeavor to provide broad overview of Government activities of the State of Jammu and Kashmir in a more comprehensive manner by including explanations, statements, graphs and series of analysis to make the publication reader friendly.

We are looking forward to comments and suggestions for improving this publication.



(K. Subramaniam)

Accountant General (A&E)  
Jammu and Kashmir.

Place:- Jammu.

Dated:-

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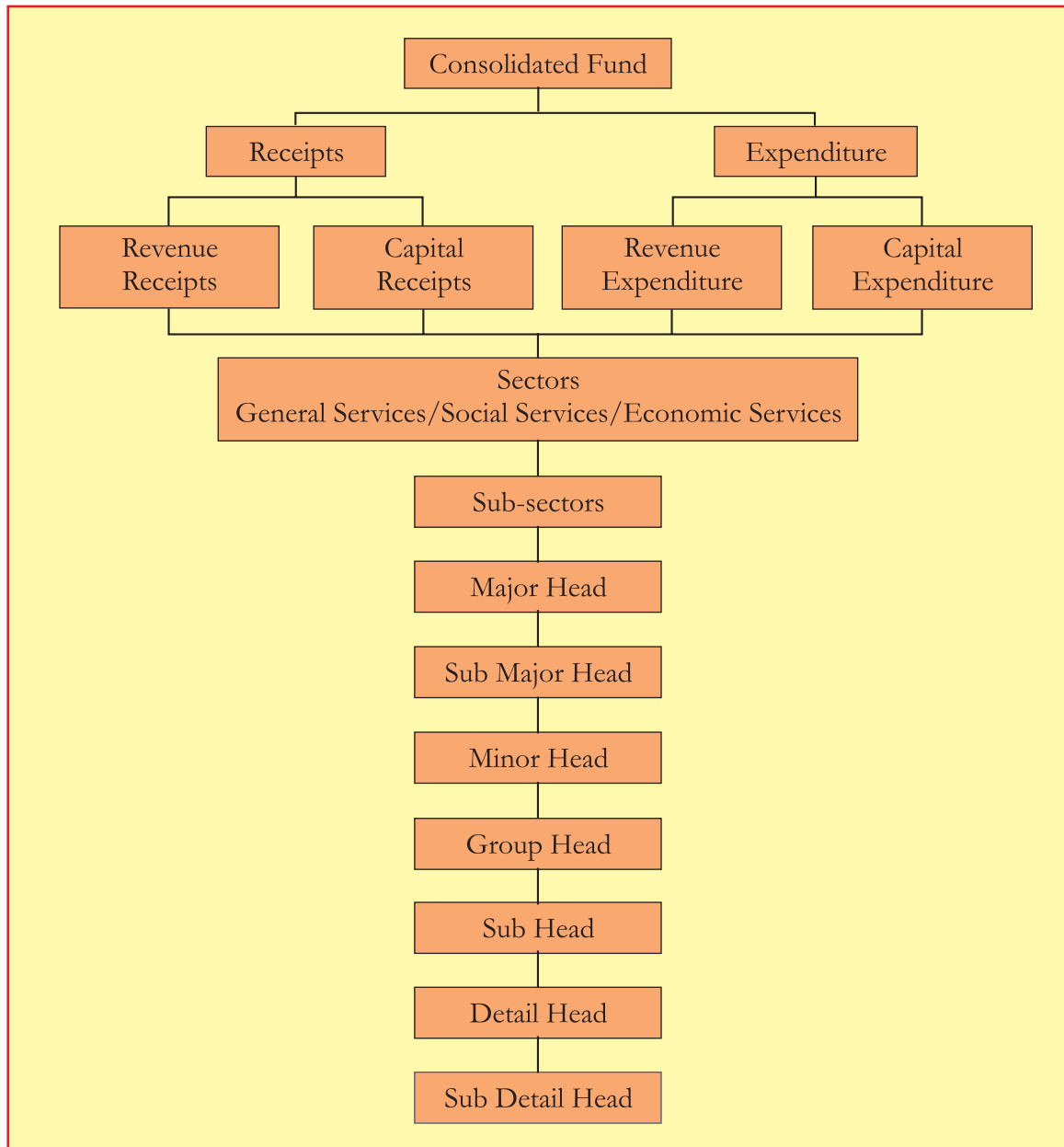
## Structure of Accounts

**Government Accounts are kept in three parts.**

<p><b>Part I CONSOLIDATED FUND</b></p>	<ul style="list-style-type: none"> <li>i) Receipt and Expenditure of Revenue and Capital Nature.</li> <li>ii) Public Debt, Loans and Advances obtained by J&amp;K from External sources including Government of India.</li> <li>iii) Transactions of J&amp;K with other States and Government of India.</li> </ul>
<p><b>Part II CONTINGENCY FUND</b></p>	<p>Money is set aside as contingency fund to meet unforeseen expenditure not provided for in the Budget. Expenditure from this fund is recouped simultaneously from the Consolidated Fund.</p>
<p><b>Part III PUBLIC ACCOUNT</b></p>	<ul style="list-style-type: none"> <li>i) Small Saving &amp; Provident Funds.</li> <li>ii) Reserve Funds</li> <li>iii) Deposits and Advances</li> <li>iv) Remittances and Suspense transactions.</li> </ul> <p>Small Savings &amp; Provident Funds, and Deposits and Advances represent repayable liabilities of the Government to the public from whom funds are obtained. Reserve Funds are amounts set aside to meet certain eventualities, e.g State Disaster Response Fund. Receipt or Expenditure which could not be booked to the final Head of Accounts within the year due to incomplete information are kept as Remittance and Suspense. These are finally adjusted to the proper Head of Accounts during subsequent years.</p>

Accounts under the consolidated fund are maintained in two parts “Receipts” and “Expenditure” which is further in turn divided into “Revenue” and “Capital”. Transactions in the Consolidated Fund are grouped into Sectors such as, “General Services”, “Social Services”, “Economic Services”, under which specific functions and services are grouped. The Sectors are sub-divided into Sub-Sectors or Major Heads of Account. Major Heads correspond to functions and are

further divided into Sub Major Heads (sub functions) and Minor Heads (Programmes) which are depicted in volume II of the Finance Accounts. The classification below Minor Heads of Account i.e., Sub-heads (schemes) and detailed and object heads (objects of expenditure) are not depicted in the Finance Accounts, though some details are included in the appendices.



For example: - General Education (Revenue Expenditure for Sarv Shiksha Abhiyan)

Sector:-Social Service.

Sub-Sector:- Education, Sports, Art and Culture

Major Head:- 2202-General Education

Sub Major Head:-01 elementary Education

Minor Head:- 101 Govt. Primary Schools

Group Head:- 0011 State Plan Normal

Sub Head:- 2320 Sarv Shiksha Abhiyan

Detail Head:- 001 Salary

Sub Detail Head:-0001 Basic Pay

## Finance Account

### 2.1 Highlights of Accounts

(₹ in crore)

S. No		Budgetary Provisions 2014-2015	Actual Receipts/ Expenditure	Per cent of Actuals to B.E	Receipts/ Expenditure as a Per cent of States GSDP
1.	Tax Revenue	12,687	10,812	85	12
2.	Non-Tax Revenue	3,561	1,978	56	2
3.	Grants-in-Aid & Contributions	22,973	16,149	70	18
4.	Revenue Receipts (1+2+3)	39,221	28,939	74	33
5.	Recovery of Loans & Advances	5	3	60	*
6.	Other Receipts	-	-	-	-
7.	Borrowings and Other Liabilities	3,020	5,608	186	6
8.	Capital Receipts (5+6+7)	3,025	5,611	185	6
9.	Total Receipts (4+8)	42,246	34,550	82	39
10.	Non-Plan Expenditure (NPE)	30,346	27,177	90	31
11.	NPE on Revenue Account	29,553	26,457	90	30
12.	NPE on Interest Payments out of 11	3,470	3533	102	4
13.	NPE on Capital Account	793	720	91	1
14.	Plan Expenditure (PE)	11,900	7,373	62	8
15.	PE on Revenue Account	3,395	2,872	85	3
16.	PE on Capital Account	8,505	4,501	53	5
17.	Total Expenditure (10+14)	42,246	34,550	82	39
18.	Revenue Expenditure (11+15)	32,948	29,329	89	33
19.	Capital Expenditure (13+16)	9,298	5,221	56	6
20.	Revenue Surplus (+)/Deficit(-) (4-18)	6,273	(-)390	-6	*
21.	Fiscal Deficit (4+5+6-17)	3,020	5,608	186	6



## 2.2 Sources and Application of Funds

(₹ in crore)

SOURCES OF FUNDS	AMOUNT
Opening Cash Balances as on 1.4.2014	(-7)
Revenue Receipts	28,939
Recovery of Loans & Advances	3
Public Debt	10,259
Small Savings Provident Fund & Others	3,883
Reserves & Sinking Funds	489
Deposits Received	3,172
Civil Advances Repaid	424
Suspense Account	15,497
Remittances	13,777
Contingency Fund	-
<b>TOTAL</b>	<b>76,436</b>
<b>APPLICATION OF FUNDS</b>	
Revenue Expenditure	29,329
Capital Expenditure	5,134
Loans Given	87
Repayment of Public Debt	8,549
Small Savings Provident Fund & Others	1,650
Reserves & Sinking Funds	1,166
Deposits Spent	2,797
Civil Advances Given	423
Suspense Account	16,063
Remittances	11,236
Closing Cash Balances as on 31.3.2015	2 *
<b>TOTAL</b>	<b>76,436</b>

\* According to Reserve Bank of India the Cash Balance is ₹ 2 crore but according to the books of the State Government the cash balance is ₹ 81.13 crore. The difference is under reconciliation.

## 2.3 Total Revenue and Expenditure

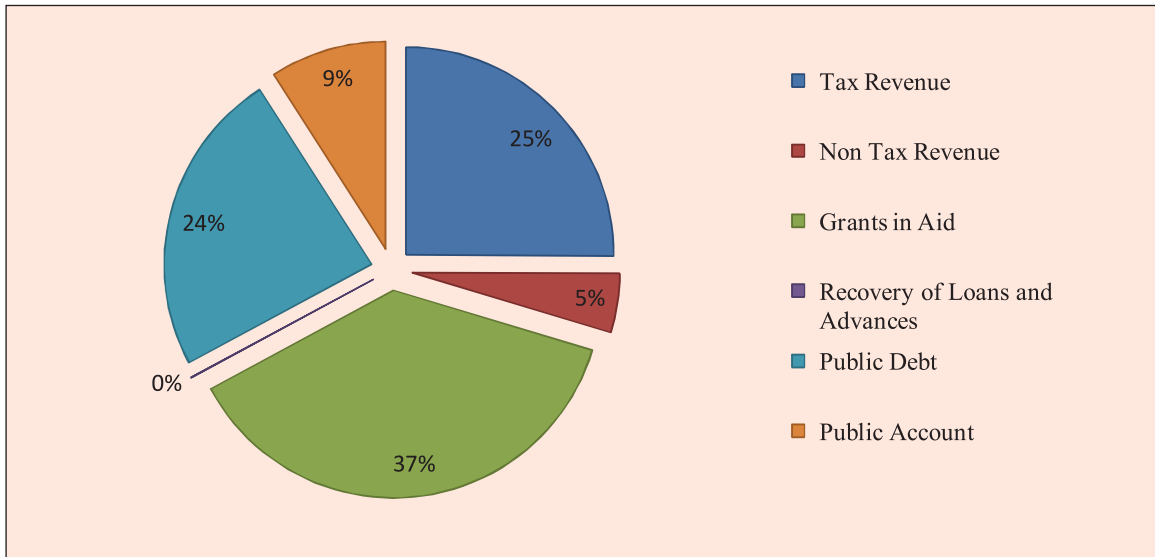
(₹ in crore)

Receipts (Total: 34,550)	Revenue (Total: 28,939)	Tax Revenue	10,812
		Non- Tax Revenue	1,978
		Grants-in-Aid (A)	16,149
	Capital (Total: 5,611)	Recovery of Loans and Advance	3
		Borrowing and Other Liabilities*	5,608
Disburse- ments (Total: 34,550)	Revenue		29,329
	Capital		5,134
	Loans and Advances		87

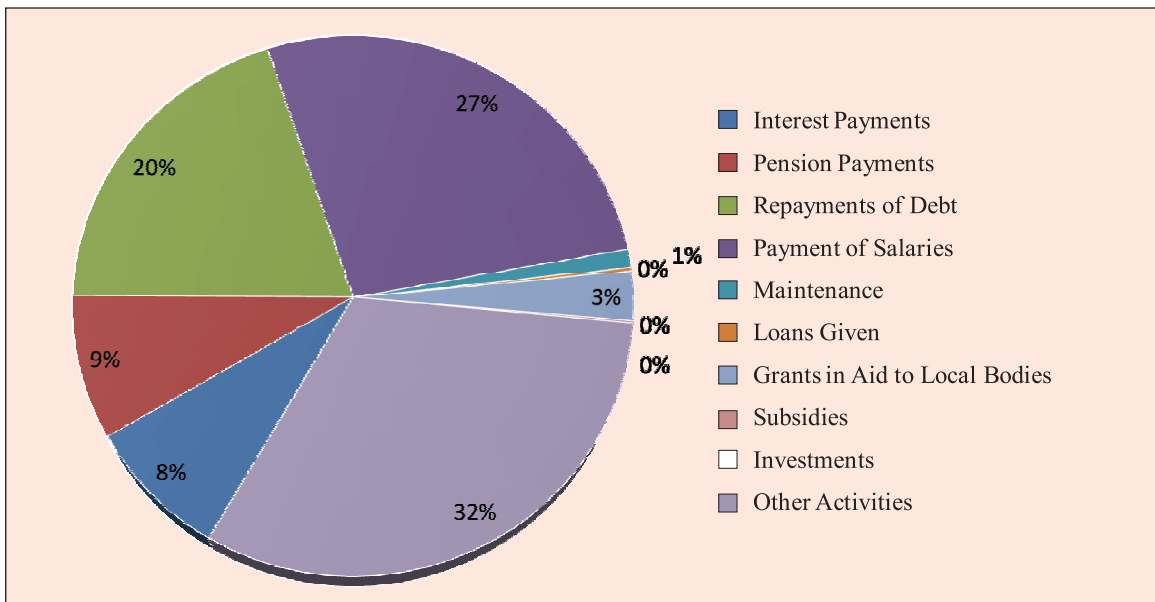
(\*) comprise net receipts from Public Debt (including Ways and Means/Overdraft from Reserve Bank of India); Contingency Fund, Public Account minus increase in cash balances

(A) In addition to this Government of India directly released ₹ 293.66 crore to the implementing agencies of the State during the year 2014-15 and are not reflected in the accounts of the State Government.

### Where the ₹ came from



### Where the ₹ Went.



## 2.4 Deficit

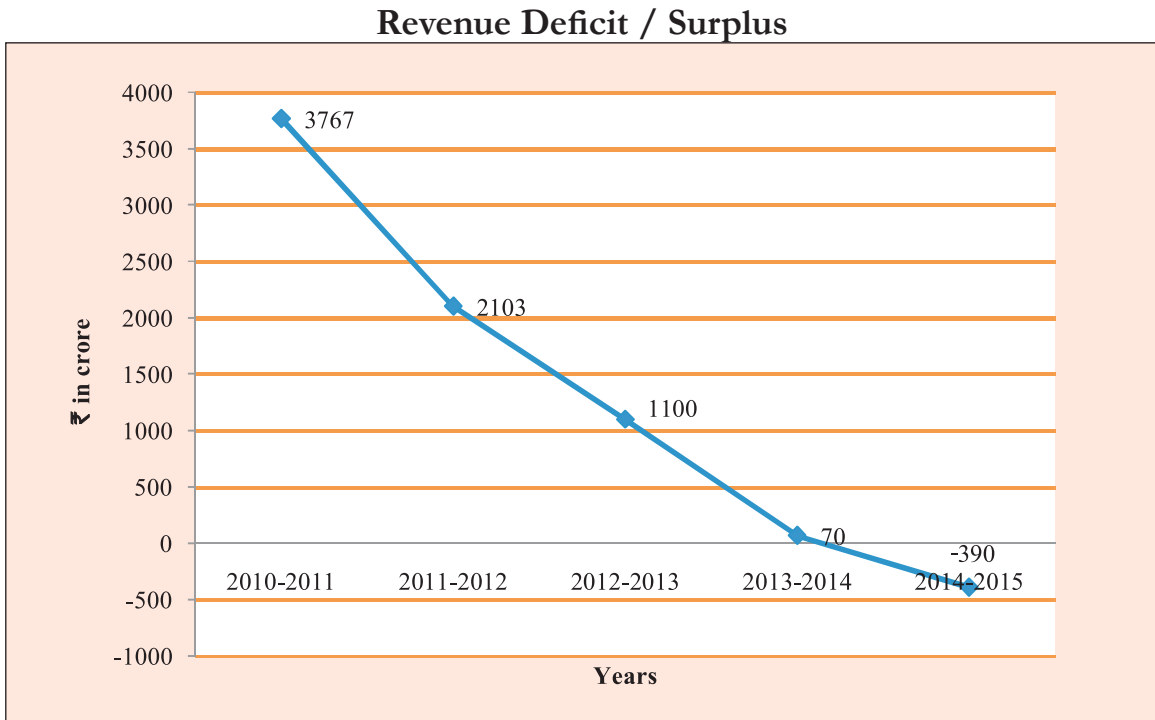
Deficit	Refers to gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit / Surplus	Refers to gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit / Surplus	Refers to gap between total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowing. Ideally, the Borrowings should be invested in capital projects.

Around 65 *Per cent* of the Revenue Receipts (₹ 28,939 crore) of the State Government was spent on committed expenditure like salaries (₹ 11,624 crore), interest payments (₹ 3,533 crore) and pension payments (₹ 3,686 crore).

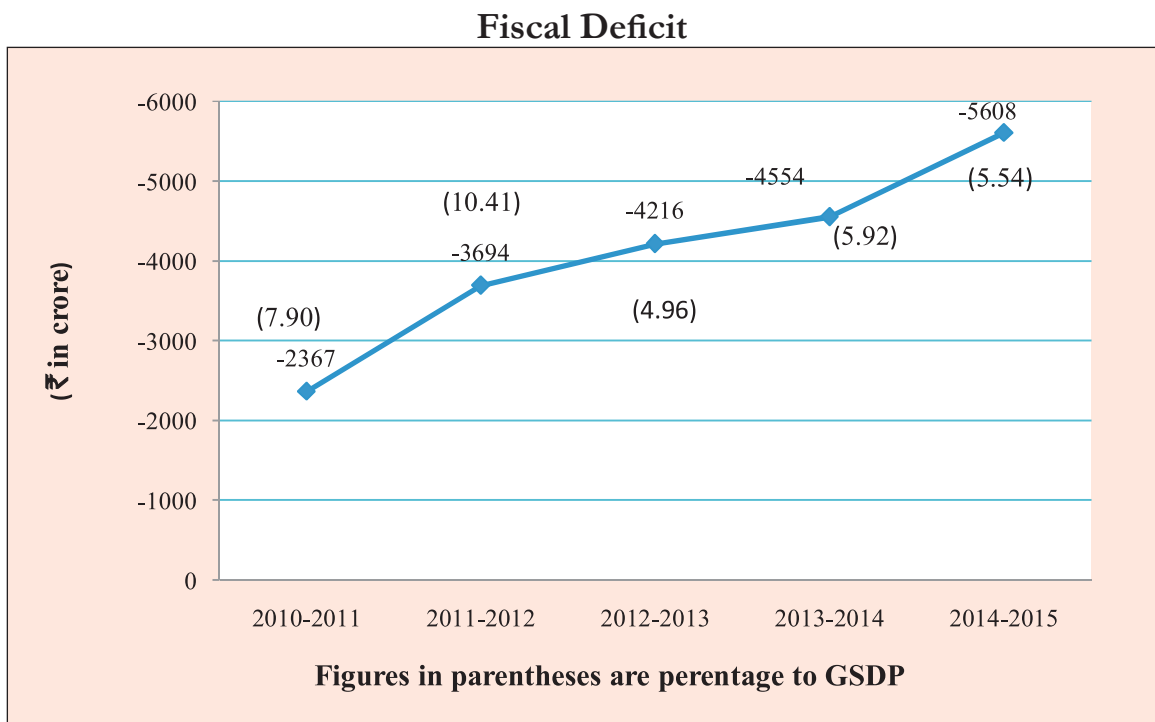
The Fiscal Deficit constituted 16 *per cent* of total expenditure. This deficit was met from Public Debt (₹ 1,711 crore), increase in Public Account (₹3,906 crore).

The State had a Revenue Deficit of ₹ 390 crore and a Fiscal Deficit of ₹ 5,608 crore.

## 2.4.1 Trend of revenue Deficit / Surplus



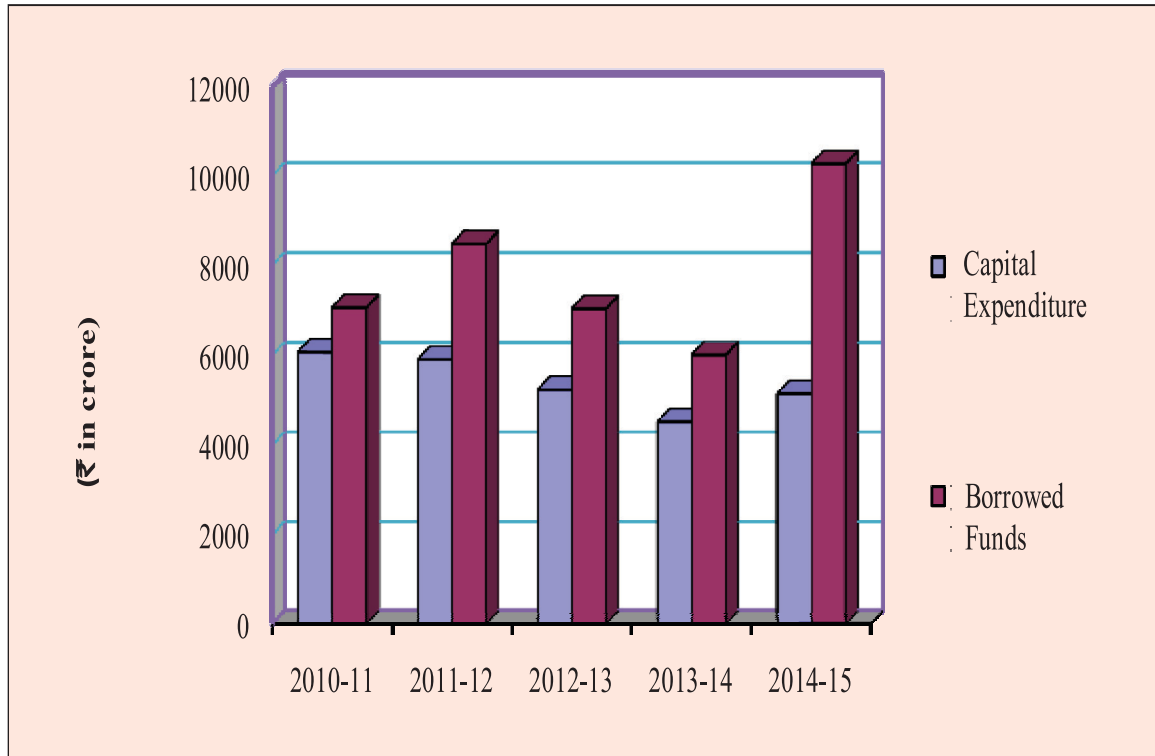
## 2.4.2 Trend of Fiscal Deficit



### 2.4.3 Proportion of borrowed funds spent on capital expenditure.

Prudent Financial Management requires that money should be borrowed only for creation of assets or capital expenditure and not for day to day running of the government. The extent to which borrowed funds are spend for capital purposes by J&K government is shown below:-

**Borrowed funds spent on Capital Expenditure**



The State Government spent 75 *per cent* of the borrowings of the current year (₹ 6,002 crore) on capital expenditure (₹ 4,507 crore). Therefore 25 *per cent* of the public debt (₹ 1,495 crore) was utilized on repayment of the principal and interest on public debt of previous years and to meet periodic shortfalls of revenue against expenditure in the current year etc.

## 2.5 Achievements of FRBM Targets

The Jammu and Kashmir Fiscal Responsibility and Budget Management (FRBM) Act, 2006 requires the State Government to ensure prudence in fiscal management by limiting its fiscal deficit and keeping its debt management at sustainable level. It also assumes greater transparency in fiscal operations.

Under the FRBM Act various targets were set for the year 2014-15. The achievements of these targets are shown below:

Sr. No.	Financial Parameter	Target	Achievement
1	Revenue Surplus	8.8 per cent of total Revenue Receipts.	Instead of Revenue Surplus there was Revenue Deficit of 1.35 per cent during the financial year 2014-15
2	Fiscal Deficit	3.0 percent of GSDP*	6.38 per cent of GSDP* during 2014-15 which was increase of 1.16 per cent over preceding financial year.
3	Outstanding Liabilities	49.30 per cent of GSDP	State's outstanding liabilities were 55 per cent of GSDP during 2014-15. This was an increase of 4 per cent over preceding financial year.
4.	Risk of outstanding Guarantees	Annual Incremental risk weighted guarantees were to be 75 per cent of total Revenue Receipts preceding the current year or 7.5 per cent of GSDP of the year preceding the current year whichever is lower.	The State Government has not yet assessed the risk of various guarantees.

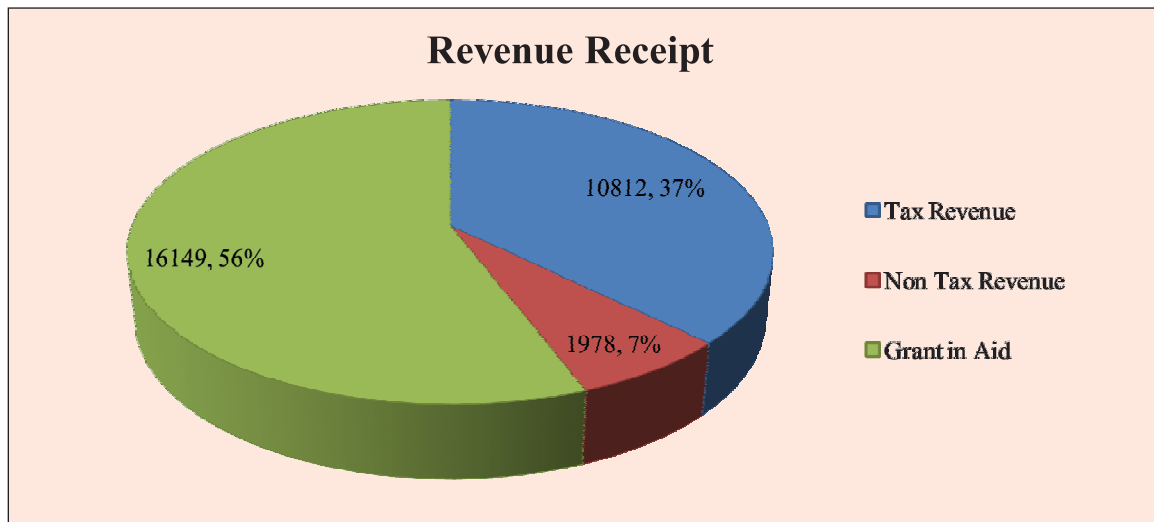
## RECEIPTS

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2014-15 were ₹ 34,550 crore.

### 3.1 Revenue Receipts

Tax Revenue	<ul style="list-style-type: none"> <li>• Taxes collected and retained by the State</li> <li>• State's share of Union taxes received from the Government of India under Article 280(3) of the Constitution.</li> </ul>
Non-Tax Revenue	<ul style="list-style-type: none"> <li>• Includes interest receipts, dividends, profits etc.</li> </ul>
Grants-in-Aid	<ul style="list-style-type: none"> <li>• Central Assistance to the State Government. Includes "External Assistance" received from foreign sources channelized through the Union Government.</li> </ul>

### Revenue Receipts





### 3.2 Revenue Receipt Components (2014-15)

(₹ in crore)

Component	Actuals
<b>A. Tax Revenue</b>	<b>10,812</b>
Taxes on Income & Expenditure	3,143
Taxes on Property & Capital Transactions	268
Taxes on Commodities & Services	7401
<b>B. Non-Tax Revenue</b>	<b>1978</b>
Interest Receipts, Dividends Profits	142
General Services	65
Social Services	77
Economic Services	1,694
<b>Grant-in-aid &amp; Contributions</b>	<b>16,149</b>
<b>Total-Revenue Receipts</b>	<b>28,939</b>

### 3.3 Trend of Receipts

(₹ in crore)

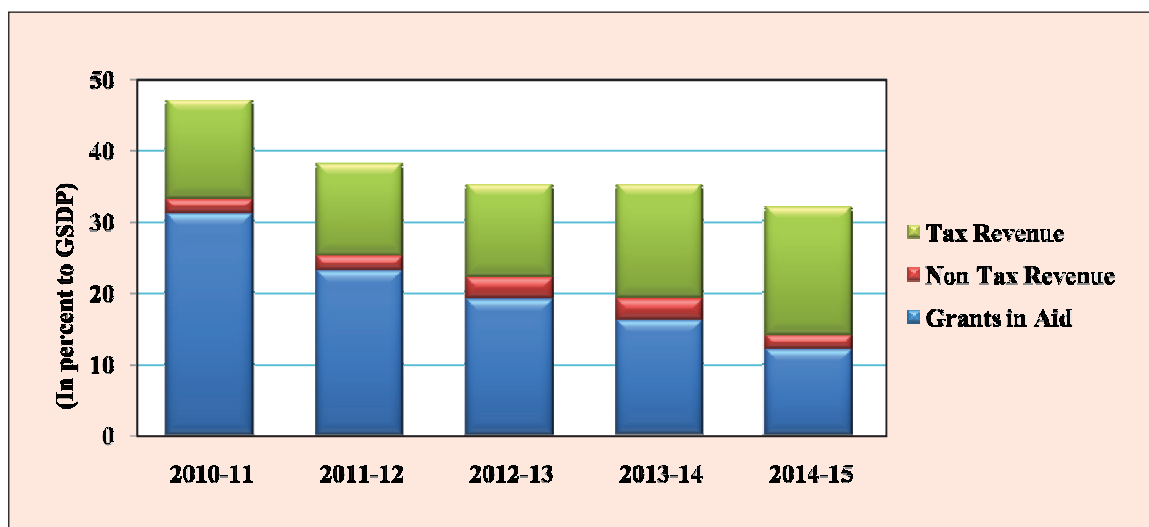
	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Tax Revenue</b>	6,550 (14)	8,240 (13)	9,703 (13)	10,415 (12)	10,812 (12)
<b>Non-Tax Revenue</b>	1,093 (2)	2,002 (3)	2,160 (3)	2,870 (3)	1978 (2)
<b>Grant-in-aid</b>	14,591 (31)	14,541 (23)	14,354 (19)	13,843 (16)	16,149 (18)
<b>Total-Revenue Receipts</b>	22,234 (47)	24,783 (40)	26,217 (34)	27,128 (31)	28,939 (33)
<b>GSDP</b>	47,709	62,365	76,115	87,319	87,921

Note: - Figures in parentheses represent percentage to GSDP

While the GSDP increased by 1 *per cent* between 2013-2014 and 2014-2015, growth in revenue collection was at 7 *per cent*. There was increase of 4 *per cent* in Tax Revenues collection during

2014-15 as compared to year 2013-14 and Non-Tax Revenue decreased by 31 *per cent*. Beyond the share of net proceeds from the Central Government, the Significant collections in the State's own Tax revenue during 2014-15 was under Sales Tax (₹ 4,601 crore), State Excise (₹ 466 crore) and on Taxes and Duties on Electricity (₹ 313 crore). Significant collections under Non-Tax revenue was under Power (₹ 1,428 crore). Despite significant collection under Power, the Revenue Collection on this account needs to be improved in view of the fact that there has been expenditure of ₹ 4,404 crore on purchase of Power.

### Component under Revenue Receipts as proportional to GSDP

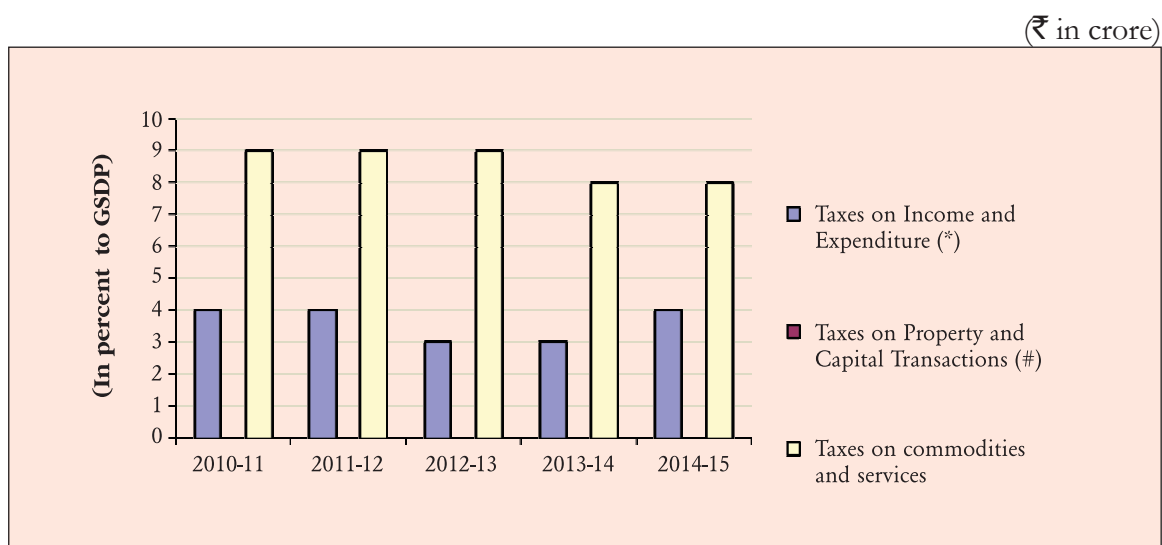


### 3.4 Sector-wise Tax Revenue

There was increase of ₹ 383 crore in collection of Taxes on Income and Expenditure during the year 2014-15 as compared to year 2013-14. The increase was mainly under 0020- Corporations Tax from ₹ 1,664 crore to ₹ 1,834 crore, Taxes on Income other than Corporation from ₹ 1,096 crore to ₹ 1,310 crore due to release of more share of net Proceeds assigned to States.

	2010-11	2011-12	2012-13	2013-14	2014-15
Taxes on Income and Expenditure	2,035	2,355	2,603	2,760	3,143
Taxes on Property and capital Transactions	124	210	338	281	268
Taxes on Commodities and Services	4,391	5,675	6,762	7,374	7,401
Total Tax Revenue	6,550	8,240	9,703	10,415	10,812

## Sources and Application of Funds



(\*) Primarily net proceeds of Central share to the State

(#) Negligible percentage

### 3.5 Trend analysis of Tax collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			₹	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2010-11	6,550	3,067	3,483	7.30
2011-12	8,240	3,495	4,745	7.61
2012-13	9,703	3,870	5,833	7.66
2013-14	10,415	4,142	6,273	7.18
2014-15	10,812	4,477	6,334	7.20

During the year 2014-15, the proportion of the state's Own Tax Revenue to GSDP is perceptibly higher than the target of 6.8 *per cent* recommended by the 12<sup>th</sup> Finance Commission.

### 3.6 Efficiency of Tax Collection.

#### A. Taxes on Property and Capital Transactions

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	124	210	338	281	268
Expenditure on Collection	57	77	88	102	95
Efficiency of Tax Collection (Percentage)	46	37	26	36	35

#### B. Taxes on Commodities and Services

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	4,391	5,675	6,762	7,374	7,400
Expenditure on Collection	43	54	117	70	69
Efficiency of Tax Collection	1	1	2	1	1

Taxes on commodities and services form a major chunk of tax revenue. Though the Tax collection efficiency is excellent in respect of Taxes on Commodities and Services, yet the collection efficiency of taxes on property and capital transactions needs to be improved.

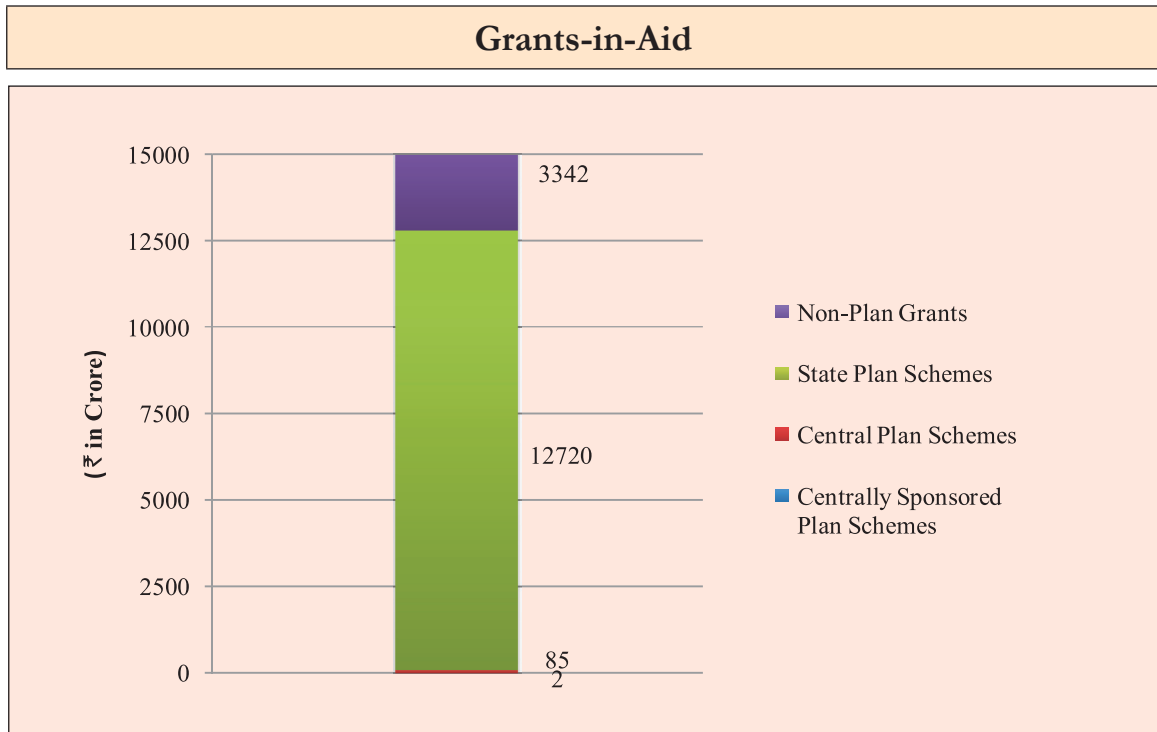
### 3.7 Trend in State's Share of Union Taxes over the past five years.

(₹ in crore)

Major Head description	2010-11	2011-12	2012-13	2013-14	2014-15
Corporation Tax	1,331	1,562	1,628	1,664	1,834
Taxes on Income other than Corporation Tax	704	794	974	1,096	1,310
Taxes on Wealth	3	6	3	5	5
Customs	596	688	753	807	849
Union Excise Duties	433	445	512	570	479
<b>State Share of Union Taxes</b>	<b>3,067</b>	<b>3,495</b>	<b>3,870</b>	<b>4,142</b>	<b>4,477</b>
<b>Total Tax Revenue</b>	<b>6,550</b>	<b>8,240</b>	<b>9,703</b>	<b>10,415</b>	<b>10,812</b>
<b>Per cent of Union Taxes to Total Tax Revenue</b>	<b>47</b>	<b>42</b>	<b>40</b>	<b>40</b>	<b>41</b>

### 3.8 Grants in Aid Received

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-Plan Grants recommended by the Finance Commission. Total receipts during 2014-15 under Grants-in-Aid were ₹ 16,149 crore as indicated in the graphics below:



The share of Grants for state Plan Schemes in total Grants-in-Aid increased by 41 *per cent* during 2014-15 as compared to 2013-14.

## EXPENDITURE

### 4.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue Expenditure is used to meet the day-to-day expenditure of Government. Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

<b>General Services</b>	Include Justice, Police, Jail, PWD, Pension etc
<b>Social Services</b>	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
<b>Economic Services</b>	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

### 4.2 Revenue Expenditure

There was Revenue Expenditure of ₹ 29,329 crore for 2014-15 against original budget estimates of ₹ 33,308 crore resulting in saving of ₹ 3,979 crore due to less disbursement of ₹ 496 crore under Plan Expenditure and ₹ 3,483 crore under Non-plan Expenditure. The State needs to maintain a revenue surplus in terms of the Jammu & Kashmir FRBM Act, 2006

The comparison of expenditure against budget estimates under Revenue section during the past five years is given below:

	(₹ in Crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Budget Estimates</b>	17,454	22,437	24,991	28,690	33,308
<b>Actual</b>	18,467	22,680	25,117	27,058	29,329
<b>Gap</b>	(-) 1,013	(-)243	(-)126	(+)1,632	(+)3,979
<b>Percentage of Gap over BE</b>	(-)6	(-)1	(-)1	(+)6	(+)12

During 2014-15, there was a shortfall (26 *per cent*) of revenue Receipts against Budget Estimates. Besides, the Expenditure was less than the Budget Estimates by 12 *per cent*.

#### 4.2.1 Sectoral distribution of Revenue Expenditure (2014-15)

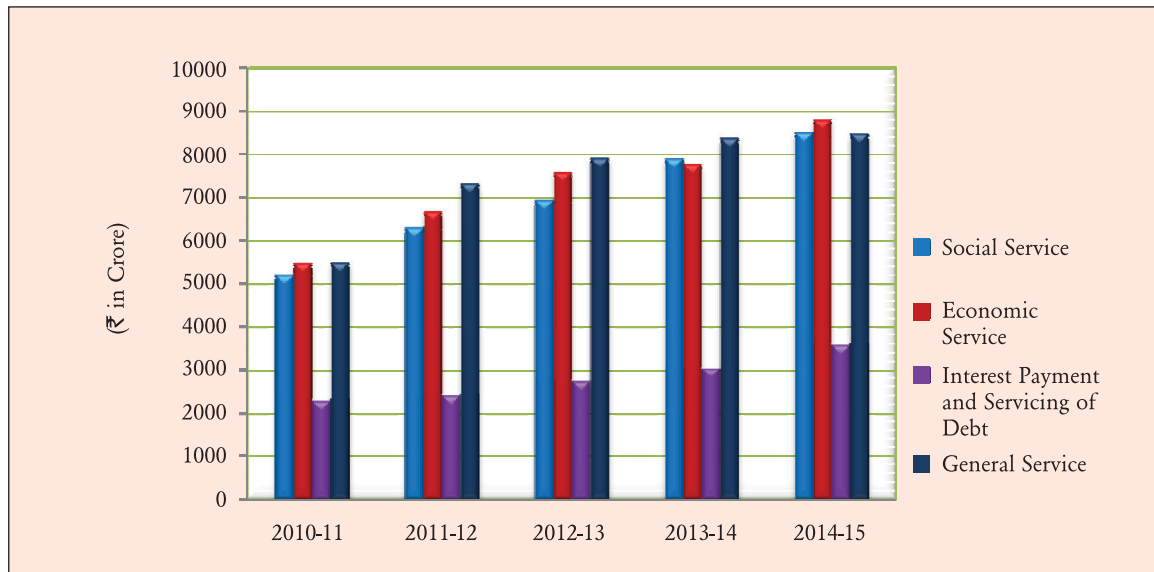
(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	166	1
(i) Collection of Taxes on Property and Capital transactions	95	*
(ii) Collection of Taxes on Commodities and Services	70	*
(iii) Other Fiscal Services	1	*
B. Organs of State	250	1
C. Interest Payments and Servicing of debt	3,569	11
D. Administrative Services	4,367	16
E. Pensions and Miscellaneous General Services	3,687	13
F. Social Services	8,501	29
G. Economic Services	8,789	29
H. Grants-in-aid Contributions	-	-
Total Expenditure (Revenue Account)	29,329	100

(\*) Less than one *per cent* : # Negligible

#### 4.2.2 Major components of Revenue Expenditure (2010-2015)

##### Trend of Major components of Revenue Expenditure

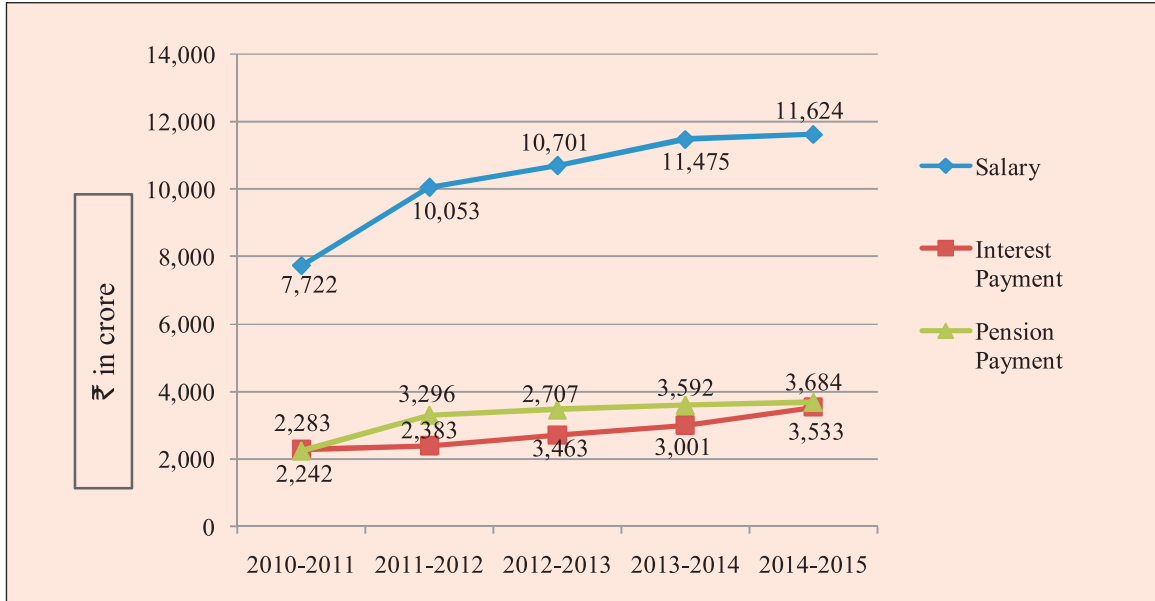


General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt) & MH 2049 (Interest Payments)

There has been a steady increase in all the three services viz, Social Services, Economic Services and General Services during the last five years.

### 4.3 Committed Expenditure

#### Trend of Committed Expenditure



(₹ in crore)

Component	2010-11	2011-12	2012-13	2013-14	2014-15
Committed Expenditure	12,247	15,732	16,871	18,068	18,841
Revenue Expenditure	18,467	22,680	25,117	27,058	29,329
Percentage of committed expenditure to Revenue Receipts	57	64	64	67	65
Percentage of committed expenditure to Revenue expenditure	65	69	67	67	64

The steep upward trend on committed expenditure leaves the Government with lesser flexibility for developmental spending.



## 4.4 Capital Expenditure

Capital disbursements for 2014-15 were less than Budget Estimates by ₹ 3,819 crore (less disbursement of ₹ 3,797 crore under Plan Expenditure and ₹ 22 crore under Non-Plan Expenditure).

### 4.4.1 Sectoral distribution of Capital Expenditure

The Capital Expenditure for the year 2014-15, included the expenditure of ₹ 390 crore on various Projects (₹142 crore on Power projects, ₹ 79 crore on Minor Irrigation, ₹ 90 crore on Flood Control Projects, ₹ 52 crore on Major and Medium Irrigation, ₹ 27 crore on Command Area Development). The Government also spent ₹ 450 crore on development of Transport infrastructure, ₹ 4 crore were invested in various Corporations / Companies / Societies.

(₹ in crore)

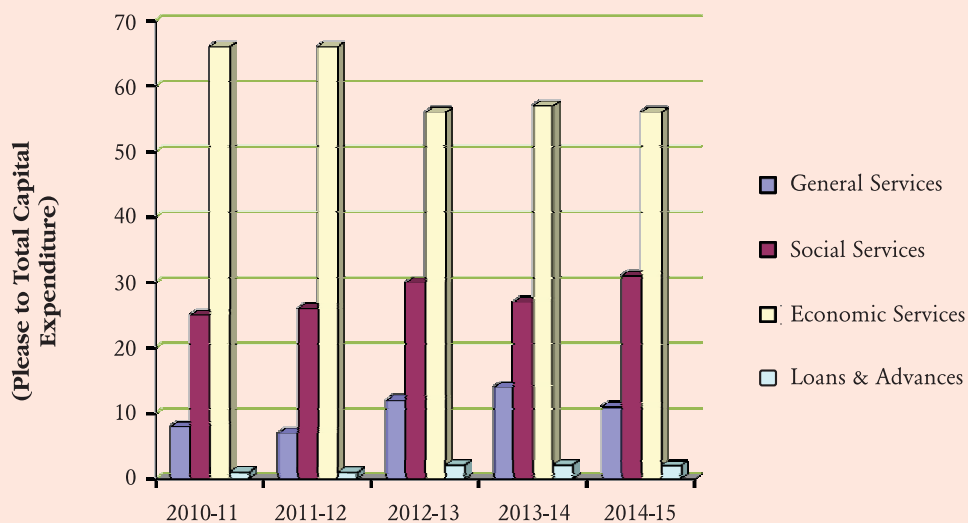
Sl.No.	Sector	Amount	Percentage
1.	<b>General Services-</b> Police, Land Revenue etc	608	11
2.	<b>Social Services-</b> Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	1,608	31
3.	<b>Economic Services-</b> Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.	2,918	56
4.	Loans and Advances Disbursed.	87	2
<b>Total</b>		<b>5,221</b>	<b>100</b>

### 4.4.2 Sectoral distribution of capital expenditure over the past Five years

(₹ in crore)

Sl. No.	Sector	2010-11	2011-12	2012-13	2013-14	2014-15
1.	General Services	457	394	637	648	608
2.	Social services	1,542	1,569	1,598	1,230	1,608
3.	Economic services	4,064	3,936	2,989	2,629	2,918
4.	Loans and Advances	72	66	93	121	87
<b>Total</b>		<b>6,135</b>	<b>5,965</b>	<b>5,317</b>	<b>5,628</b>	<b>5,221</b>

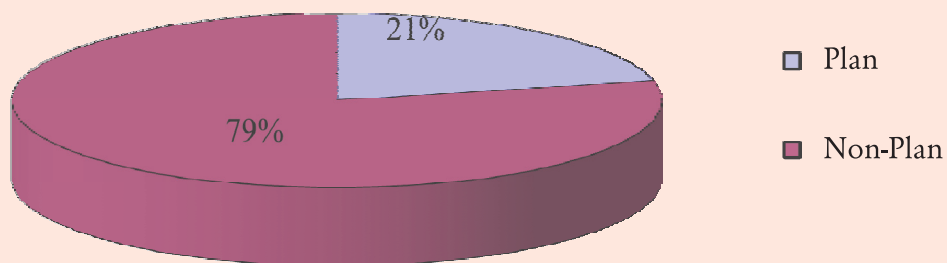
## Trend of Sectoral Distribution of Capital Expenditure



## PLAN & NON-PLAN EXPENDITURE

### 4.5 Distribution of Expenditure (2014-15)

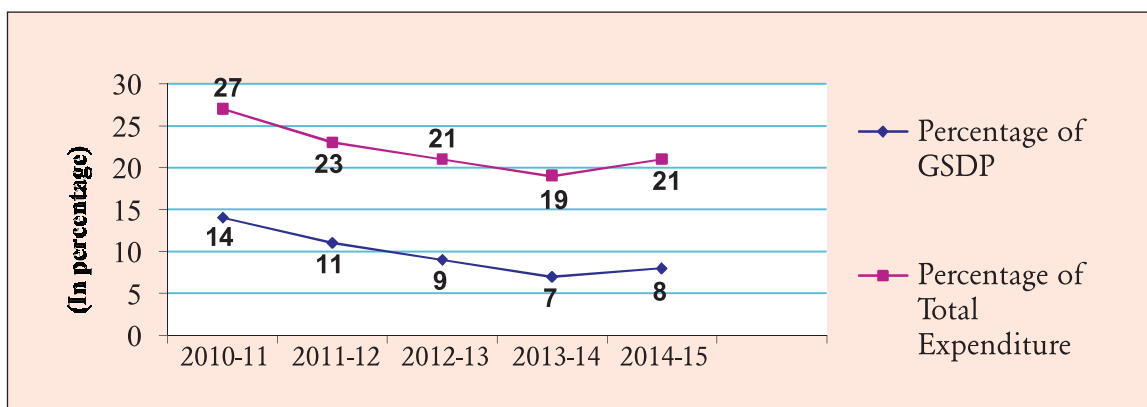
#### Distribution of Expenditure



### 4.6 Plan Expenditure

During 2014-15, Plan Expenditure, representing 21 *per cent* of total disbursements, was ₹ 7,373 crore (₹ 5,784 crore under State Plan, ₹ 1,589 crore under Centrally Sponsored Plan Schemes).

### Plan Expenditure as proportion of total expenditure and GSDP



#### 4.6.1 Plan Expenditure under Capital Account

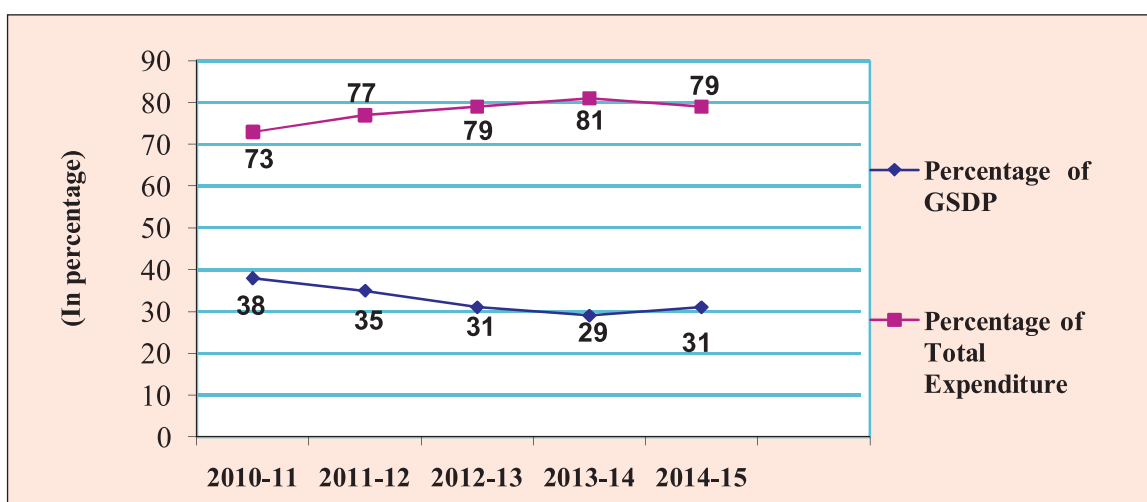
(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Total Capital Expenditure	6,135	5,965	5,317	4,507	5,134
Capital Expenditure (Plan)	5,730	5,474	4,960	4,172	4,502
Percent of Capital Expenditure (Plan) to Total Capital Expenditure	93	92	93	93	88

#### 4.7 Non-Plan Expenditure

Non-Plan Expenditure during 2014-15, representing 79 per cent of total disbursements, was ₹ 27,177 crore, (₹ 26,457 crore under Revenue and ₹ 633 crore under Capital and ₹ 87 crore under Loans and Advances).

#### Non Plan Expenditure as proportional of total expenditure and GSDP



## Public Debt

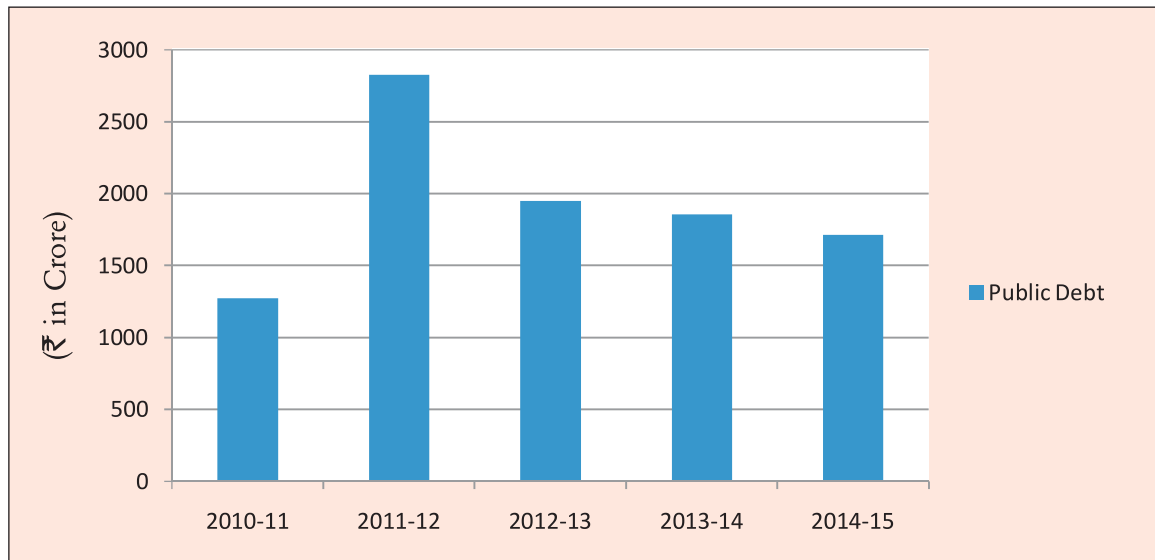
### 5.1 Trend of Public Debt over the past Five years

(₹ in crore)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Internal Debt</b>	2,386	2,954	2,008	1,919	1,811
<b>Central Loans</b>	(-),1,112	(-),129	(-),64	(-),64	(-),100
<b>Total Public Debt</b>	1,274	2,825	1,944	1,855	1,711

Against the total Internal Debt of ₹ 10,247 crore of the State Government in 2014-15 and Central Loan component of ₹ 12 crore during this period, Capital Expenditure was ₹ 5,134 crore (50 per cent), indicating that the rest of the Public Debt was used for non-developmental purposes.

Trend of Public Debt:-



## ASSETS AND LIABILITIES

### 6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition/purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 537 crore at the end of 2014-15. Dividends received during the year 2014-15 was ₹ 129 crore (i.e., 24 *Per cent*) on investment. During 2014-15, investments increased by ₹ 4 crore, while dividend income remains the same.

Cash Balance stood at ₹ (-) 7 crore on 31<sup>st</sup> March 2014 and increased to ₹ 9 crore at the end of March 2015.

### 6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, as may be from time to time fixed by the State Legislature.

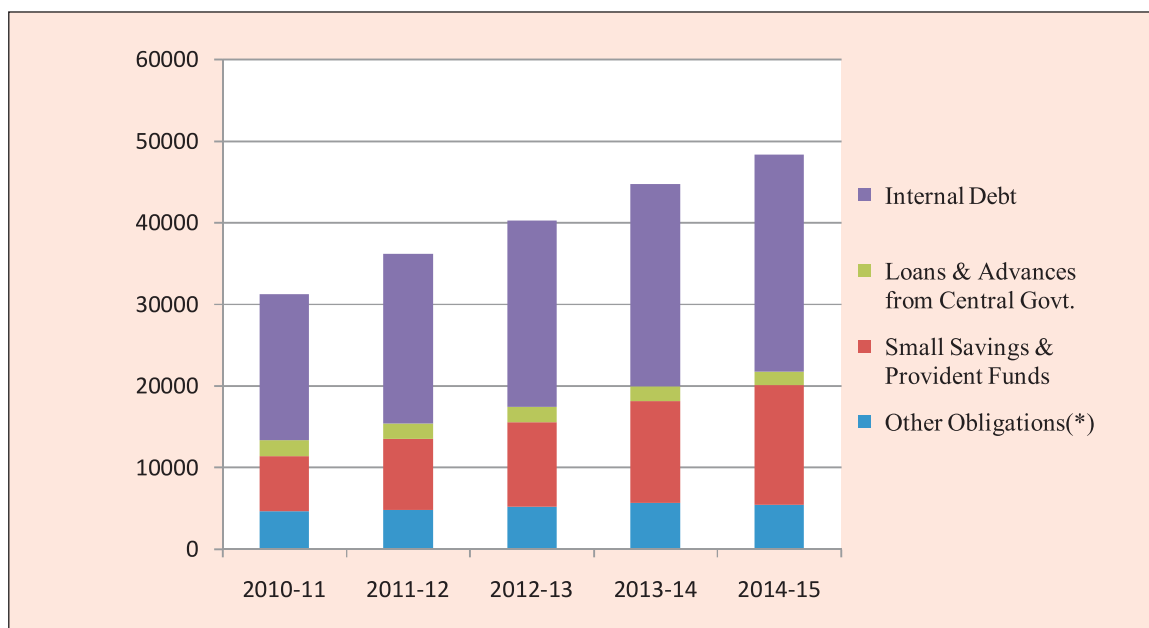
Details of the Public Debt and total liabilities of the State Government are as under:

( ₹ in crore)

Year	Public Debt	Percent to GSDP	Public Account	Percent to GSDP	Total Liabilities	Percent to GSDP
2010-11	19,867	42	11,394	24	31,261	66
2011-12	22,692	36	13,564	22	36,256	58
2012-13	24,635	32	15,620	21	40,255	53
2013-14	26,490	30	18,172	21	44,662	51
2014-15	28,201	32	20,103	23	48,304	55

There is a net increase of ₹ 3,642 crore (8 *per cent*) in Public Debt and Other Liabilities as compared to 2013-14.

## Trends in Government Liabilities



(\*) Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

### 6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by statutory Corporations, Governments Companies, Cooperative Society, etc., is given below.

( ₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
2010-2011	4,750	2,695	13
2011-2012	4,750	2,096	02
2012-2013	2,649	608	02
2013-2014	4,656	2,711	03
2014-2015	4,232	2,858	02

## OTHER ITEMS

### 7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. There is no default in paying of Loans so there is no adverse balance on this Account.

### 7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2014-15 was ₹ 1,494 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Local Bodies amounted to ₹ 1,477 crore. The detailed account of all loans except for Loans under Major Head 7610- Loans to Government Servants etc., (Minor Head 201-House Building Advance and 202-Advance for purchase of Motor Conveyances) total amounting to ₹ 1,477 crore are maintained by Controlling officers of State Government. Information regarding overdue amount in areas (both Principal and Interest) has not been furnished by the State Government.

### 7.3 Financial assistance to local bodies and others

Grants in Aid to local bodies etc., increased from ₹ 811 crore in 2013-14 to ₹ 1,269 crore in 2014-15. Grants to Urban Local Bodies during 2014-15 including Municipalities (₹ 270 crore) representing 21 *per cent* of total grants given during the year 2014-15.

Details of Grant in Aid from last five years are as under;

(₹ in crore)

Year	Urban Local Bodies	Autonomous Bodies	PSUs	Non Govt. Organizations	Others	Total
2010-11	251	299	11	3	-	564
2011-12	286	360	1	3	38	688
2012-13	304	386	55	6	15	766
2013-14	330	351	65	40	25	811
2014-15	431	427	57	2	352	1269

#### 7.4 Cash Balance and Investment of Cash Balance.

(₹ in crore)

Component	As on 1st April 2014	As on 31 <sup>st</sup> March 2015	Net Increase(+) / decrease (-)
Cash Balance	(-7 @	2 @	9
Cash Balance Investment	1,051	1,381	330
Investment from earmarked fund Balances	11	11	-
Interest realised.	9	10	1



## Appropriation Accounts

### 8.1 Introduction

Under the constitution no expenditure can be incurred by Government except with the authorization of Legislature. Barring certain expenditure specified in the constitution as “*Charged*” on Consolidated Fund, which can be incurred without vote of legislature, all other expenditure require to be “Voted”. The Appropriation Accounts depict the expenditure of the State Government against amounts ‘*Charged*’ on the Consolidated Fund or ‘Voted’ by the State Legislature. The Budget of Jammu and Kashmir Government comprises 29 Demand for Grants reflecting *charged* appropriation and Voted Grants.

The Appropriation Account, 2014-2015, had provided for gross expenditure of ₹ 54,226 crore and recoveries of ₹ 1,151 crore. Against this, the actual gross expenditure was ₹ 43,804 crore and recovery was ₹ 705 crore resulting in net saving of ₹ 10,422 crore (nineteen *per cent*).

### 8.2 Summary of the Appropriation Accounts for 2014-15

( ₹ in crore )

S.No.	Nature of Expenditure	Original Grant	Supplementary Grant	Reappropriation	Total	Actual Expenditure	Saving* (-) Excess* (+)
1.	Revenue						
	Voted	29,793	551	-	30,344	25,955	(-)4,389
	<i>Charged</i>	3,515	-	-	3,515	3,567	(+)52
2	Capital						
	Voted	9,926	1,940	-	11,866	5,646	(-)6,220
	<i>Charged</i>	-	-	-	-	-	-
3	Public Debt <i>Charged</i>	1,297	7,065	-	8,362	8,549	(+)187
4	Loans and Advances Voted	139	-	-	139	87	(-)52
5	<b>Total</b>	<b>44,670</b>	<b>9,556</b>	<b>-</b>	<b>54,226</b>	<b>43,804</b>	<b>(-)10,422</b>

\* Savings/Excess = (Budget Estimates minus Actual expenditure i.e Net of recoveries)

### 8.3 Trend of Saving / Excess during past five years.

( ₹ in crore )

Year	Savings (-) Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2010-11	(-)153	(-)2,290	(+)4,820	(-)9	(+)2,368
2011-12	(-)2,022	(-)1,836	(+)4,474	(-)15	(+)601
2012-13	(-)982	(-)3,876	(+)3,768	(+)23	(-)1,067
2013-14	(-)1,673	(-)3,930	(+)2,916	(-)9	(-)2,696
2014-15	(-)4,337	(-)6,220	(+)187	(-)52	(-)10,422

### 8.4 Significant savings.

Substantial savings under a grant indicates either non implementation or slow implementation of certain schemes / programmes.

Some grants with persistent and significant savings (in *per cent*) are given below.

( ₹ in crore )

Grant	Nomenclature	2010-11	2011-12	2012-13	2013-14	2014-15
01	General Administration	27	26	14	75	32
03	Planning and Development	55	14	36	75	87
04	Information	19	15	23	18	20
07	Education	10	07	17	06	22

During 2014-15, supplementary grants totaling ₹ 9,556 crore (18 *per cent* of the total expenditure) proved to be unnecessary as in some cases there were significant savings at the end of the year even against original allocation.

A few instances are given below.

₹ in crore )

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
03	Planning and Development Department	Revenue	979	20	182
03	Planning and Development Department	Capital	2,399	550	310
09	Parliamentary Affairs Department	Revenue	38	1	31
15	Consumer Affairs and Public Distribution Department	Capital	976	17	924
17	Health and Medical Education Department	Capital	336	111	212
24	Hospitality and Protocol Department	Revenue	190	1	140
28	Rural Development Department	Revenue	315	3	271
28	Rural Development Department	Capital	1,105	720	720

### 8.5 Commitment on account of incomplete Works

A total expenditure of ₹ 946 crore was incurred up to the year 2014-15 by the State Government on various incomplete projects costing more one crore which have been taken up by the Water Works Department, Public Works Department and Public Health & Engineering Department.

### 8.6 Rush of Expenditure

The Financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under certain selected Heads of Account during March 2015 ranging between 50 *per cent* and 100 *per cent* of the total expenditure during the year

indicate a tendency to utilize the budget at the close of financial year. The flow of expenditure during the four quarters of 2014-15 under such Heads was as below:

Description		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	During March	Percentage of 3/2015 w.r.t total expenditure of 2014-15
Head of A/c		( ₹ in crore )						
3451	Secretariat Economic Services.	1.41	6.15	15.81	144.80	168.17	116.08	69.02
4059	Capital Outlay on Public Works	4.58	86.92	71.99	358.11	521.60	312.98	60.00
4070	Capital Outlay on Other Administrative Services	0.24	0.0	1.08	3.00	4.32	2.80	64.81
4075	Capital Outlay on Misc. General Services	0.17	0.0	0.40	12.99	13.56	12.99	95.80
4202	Capital Outlay on Soil and Water Conservation	6.79	17.46	104.60	401.94	530.79	382.51	72.06
4220	Capital Outlay on Information and Publicity	0.0	0.01	0.04	0.70	0.75	0.59	78.67
4851	Capital Outlay on Village and Small Industries	1.13	2.89	16.99	100.44	121.45	66.07	54.40
4853	Capital Outlay on Non-Ferrous Mining and Metallurgical Industries	0.18	0.05	0.67	1.52	2.42	1.42	58.68



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